

Message Text

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SUBJECT: PANAMANIAN NEGOTIATORS MEET WITH CANAL ZONE LABOR

REF: PANAMA 1174

SUMMARY: DURING A MEETING WITH UNIONS REPRESENTING PANAMANIAN-CITIZEN CANAL ZONE EMPLOYEES, GOP TREATY NEGOTIATORS REPEATED GOP REJECTION OF 15-POINT CANAL ZONE EMPLOYEE ASSURANCES. UNIONS PRESENT WERE GENERALLY PLEASED WITH WHAT THEY HEARD. THEY ALSO REJECT THE 15 POINTS AS THEY READ THEM AND STRONGLY URGE DIRECT DISCUSSIONS BETWEEN CANAL ZONE ORGANIZED LABOR AND US GOVERNMENT TREATY NEGOTIATORS ON EMPLOYEE-RELATED ISSUES. END SUMMARY.

1. CANAL ZONE UNIONS REPRESENTING LARGELY PANAMANIAN CITIZENS MET MARCH 28 WITH PANAMANIAN TREATY NEGOTIATORS ROMULO ESCOBAR BETHANCOURT AND (FOR PART OF MEETING) LABOR MINISTER ADOLFO AHUMADA. MEETING WAS CONVENED BY MIGUEL BALBINO MORENO, WHO HEADS THE "COMMISSION" RECENTLY DESIGNATED BY GOP FOR CONSULTATION WITH CANAL ZONE UNIONS AT OFFICE OF GOP COORDINATOR OF INFORMATION (I.E., ESCOBAR.) IT GOT GOOD PRESS COVERAGE. (COPIES OF ARTICLES POUCHED ARA/PAN - CAMAUR).

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2. UNIONS REPRESENTATIVES ATTENDING MEETING INCLUDED PANAMA CANAL DIVISION OF NATIONAL MARITIME UNION (AFL-CIO), LOCALS 900 (PANCANAL EMPLOYEES) AND 907 (US MILITARY EMPLOYEES) OF AMERICAN FEDERATION OF STATE, COUNTY AND MUNICIPAL EMPLOYEES (AFL-CIO) AND TWO STRICTLY ISTHMIAN UNIONS REPRESENTING PANAMANIAN DOCK WORKERS AND KUNA INDIANS WORKING IN CANAL ZONE.

3. ESCOBAR SAID THAT NEGOTIATIONS HAD BEEN ACCELERATED AT FEBRUARY ROUND. AHUMADA SAID IT HAD BEEN AGREED THAT CANAL ZONE GOVERNMENT WOULD DISAPPEAR "IMMEDIATELY AFTER THE TREATY GOES INTO EFFECT", BUT THAT US WOULD HAVE RESPONSIBILITY FOR OPERATING CANAL. AHUMADA ALSO SAID NEGOTIATORS ARE CONSIDERING TWO RUDATION DATES-- THE YEAR 2000 FOR DEFENSE AND 1990 FOR PANAMA'S TAKEOVER OF CANAL OPERATION. (SEE FBIS/PANAMA PA 290407Y FOR AMPLIFICATION ON THIS BY A GOP SOURCE QUERIED BY EFE WIRE SERVICE.)

4. ESCOBAR SAID US HAD AGREED TO ESTABLISH NEW ENTITY TO ADMINISTER THE CANAL, BUT THAT NEGOTIATIONS ON POINT WERE "STALLED" DUE TO US INSISTENCE THAT ENTITY BE CREATED BY US ALONE AND BE SUBJECT TO LAWS OF US CONGRESS. ESCOBAR AND AHUMADA SAID THAT ENTITY MUST BE CREATED BY THE TREATY, WHICH WOULD APPLY US AND PANAMANIAN LAWS TO THE ENTITY IN MUTUALLY-AGREED MANNER SO AS NOT TO ADVERSELY AFFECT LABOR INTERESTS.

5. PANAMANIANIANS ALSO MADE FOLLOWING POINTS:

A. MEETING WAS HELD TO PROVIDE INFORMATION AND TO SEEK WORKERS' OPINIONS ON LABOR RELATED ISSUES ARISING IN NEGOTIATIONS. MORE USHC MEETINGS WOULD BE HELD.

B. MATTERS AFFECTING CANAL ZONE WORKERS HAVE NOT YET BEEN DISCUSSED. ESCOBAR SAID PANAMA DEFINED "LABOR CONQUESTS", WHICH GENERAL TORRIJOS HAS REPEATEDLY PLEDGE TO PROTECT, AS MEANING "TENURE, SALARIES, ETC., BUT THAT MAINTAINING PRIVILEGES HAS BEEN SPOKEN OF."

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C. THE 15-POINT ASSURANCE STATEMENT RECENTLY ISSUED BY GOVERNOR PARFITT HAD NOT BEEN DISCUSSED DURING NEGOTIATIONS, AND "IT WILL NOT EVEN BE ACCEPTED AS A POINT OF DISCUSSION".

D. IT HAD BEEN AGREED THAT SECURITY POSITION WOULD BE ELIMINATED, ALTHOUGH ESCOBAR "ADMITTED" THAT ABOUT 15 SECURITY POSITIONS WOULD REMAIN.

E. PANAMA WOULD, UNDER NEW TREATY, ASSUME RESPONSIBILITY FOR JURISDICTIONAL FUNCTIONS SUCH AS POLICE, POSTS AND FIRE PROTECTION. PANAMA REJECTED ANY PROPOSAL FOR A SPECIAL STATUS FOR AMERICANS TO PLACE THEM OUTSIDE PANAMANIAN CIVIL AND CRIMINAL JURISDICTION. IN PARTICULAR, THE SUGGESTION THAT US CITIZENS REMAINING TO WORK FOR CANAL ENTITY UNDER NEW TREATY BE GRANTED THE SAME IMMUNITY THAT IS CONTEMPLATED FOR MEMBERS OF US ARMED FORCES "...HAS BEEN REJECTED OUTRIGHT."

F. PANAMA WOULD INSIST THAT THE NEW ENTITY INCORPORATE

NONE OF THE FORMS OF DISCRIMINATION WHICH EXIST UNDER THE CURRENT SYSTEM. THIS EXTENDED TO HOUSING-CURRENT EMPLOYEES SHOULD HAVE PREFERENCE IN PURCHASING THEIR HOMES--AND TO ELIMINATION OF THE "TAX FACTOR" AS A DEVICE TO PAY A PANAMANIAN LESS THAN A US CITIZEN FOR DOING THE SAME WORK.

G. REGARDING RELOCATION OF EMPLOYEES WHOSE JOBS WERE ELIMINATED UNDER THE TREATY, PANAMANIAN CITIZENS WERE PANAMA'S PROBLEM, AND US CITIZENS WERE THE PROBLEM OF THE US. THE TREATY WOULD FACILITATE DEVELOPMENT OF ADDITIONAL ACTIVITIES IN WHAT IS NOW CANAL ZONE THAT WOULD EMPLOYE THOSE PANAMANIAN CITIZENS DISPLACED FOR PRESENT JOBS. IN PARTICULAR, PANAMA EVISAGED REOPENING BALBOA DRY DOCK WHEN SHE ASSUMED JURISDICTION; THIS WAS EXPECTED TO GENERATE ABOUT 15,000 (SIC) NEW JOBS.

H. THERE WAS NO THOUGHT OF REDUCTION OF LABOR CONQUESTS, NOR OF ANY TYPE OF PERSECUTIONS OR PRESSURES, "BECAUSE MANY NORTH LIMITED OFFICIAL USE

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AMERICANS ARE NECESSARY FOR THE OPERATION OF THE CANAL".

6. COMMENT: LABOR UNION REPRESENTATIVES WHO WERE PRESENT AT MEETING GENERALLY WELCOMED WHAT THEY HEARD. IN PARTICULAR (SEPTTEL FOLLOWS), UNIONS WHOSE MEMBERSHIP IS PREDOMINANTLY PANAMANIAN CITIZENS CONSIDER THAT THE 15-POINT DOCUMENT IMPLIES A "SELLOUT" OF THEIR MEMBERS, AND THEREFORE WELCOME AND ENDORSE GOP REJECTION OF THAT DOCUMENT.

7. HOWEVER, THESE UNIONS STRESS THAT NO MATTER HOW RECEPTIVE PANAMA APPEARS, THEY ARE WELL AWARE THAT THE UNITED STATES IS AND WILL BE THEIR EMPLOYER--WHAT THEY WANT ARE CERTAIN SPECIFICATIONS WRITTEN INTO THE TREATY TO GUARANTEE IN ADVANCE HOW IT WILL, AS MANAGEMENT, BEHAVE TOWARD THEM. THEY HAVE RE-ITERATED THEIR PAST SUGGESTIONS THAT THERE SHOULD BE DIRECT MEETINGS, SIMILAR TO THIS ONE, BETWEEN ORGANIZED LABOR IN CANAL ZONE AND US NEGOTIATING TEAM. THEY CAST NO PARTICULAR ASPERSIONS ON MANAGEMENT, BUT SAY THAT NEITHER CAN THEY ACCEPT THAT MANAGEMENT CAN UNILATERALLY BE THE AUTHENTIC AND SOLE INTERPRETER OF CANAL ZONE LABOR'S VIEWS AND INTERESTS IN LABOR-MANAGEMENT ASPECTS OF THE NEW TREATY.

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